



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO.: 13-19-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET CENTRALIZED PAYROLL	PAGE 1 OF 2
EFFECTIVE DATE: IMMEDIATE	EXPIRATION DATE: INDEFINITE	SUPERSEDES 13-06-OMB
SUBJECT: MANDATORY DIRECT DEPOSIT AND ONLINE ACCESS TO PAY STUB INFORMATION		
ATTENTION: ALL DEPARTMENTS		
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#### I. PURPOSE

This Circular sets forth the new terms for NJ State employees' compensation, as provided in P.L. 2013 Chapter 28. As a result of the Governor signing this legislation on March 12, 2013, there are two mandates - as of pay period 14, pay day July 5, 2013, all employees with direct deposit must receive their pay stub only on the Internet, and all compensation after July 1, 2014 is mandated to be directly deposited for all NJ State employees. Because of the longer time frame to mandate direct deposit, Centralized Payroll will first begin the phase-in of enrollment into Employee Self Service/Pay Stub on the Web (ESS) for online pay stubs with those employees currently enrolled in direct deposit and still receiving a printed pay stub. The new legislation also addresses the online W-2 process. New procedures relating to online W-2s issuance will be addressed in a future circular.

#### II. BACKGROUND

The ESS program was instituted in 2006 as an optional benefit for employees paid via direct deposit. By enrolling in this program, employees have 24 hour unlimited access to all of their payroll stubs from calendar year 2005 on and to W-2 statements from calendar year 2006. In 2012, as an efficiency measure, the State of NJ changed the terms of the direct deposit program and auto-enrolled employees receiving their paychecks through direct deposit into ESS, who already had established logon IDs in the Division of Pensions and Benefits Member Benefits Online System (MBOS). As of May 2013 there are over 46,000 employees enrolled in the ESS program. P.L. 2013 Chapter 28 enhances this program by first requiring all employees with established direct deposit to receive their pay stub on the web only and subsequently to require all employees paid through the NJ State payroll to receive their paychecks by direct deposit.

### III. LIMITATIONS

Although the legislation allows for State Colleges, County, County Colleges, municipalities and local school districts to opt for the terms of this legislation, this Circular is intended to apply to NJ State employees of the Executive, Legislative, and Judicial branches of State government, for whom the legislation's requirements are mandatory.

The State Treasurer is authorized by this legislation to grant exemptions to this policy for both direct deposit and ESS for State employees. Exemptions may be granted for the following reasons:

1. Seasonal employees in Temporary Employment Services Positions 880000 to 889999
2. NJ National Guard activated for State emergencies
3. Former State of New Jersey employees with retroactive contractual payments or Back Pay Awards
4. Employees with a disability that prevents them from using a computer to access their pay stubs - must have an Employer Certification to that effect
5. Recipients of wage payments as a result of a consent decree

### IV. POLICY AND APPROVAL CRITERIA

Centralized Payroll and the Office of Information Technology will identify employees enrolled in direct deposit that are not enrolled in the ESS program. Employees will be notified in May and June 2013 that the printing of their regular payroll stubs will cease as of the July 5, 2013 pay date, and they must enroll in ESS to view their pay stubs. Employees will also receive enrollment and access instructions for the ESS program with both notices. It is the employee's responsibility to use the instructions to enroll in ESS to enable them to view their pay stubs – unless the employee takes the steps to enroll, they will not be able to view their paystub on the Internet and all paper paystubs will be eliminated, beginning with the July 5, 2013 pay date.

Note: Employees changing bank accounts who have filed a new direct deposit authorization form will receive a live paycheck while their request is under review by their banking institution.

### V. RESPONSIBILITIES

Centralized Payroll and the Office of Information Technology will assist with any ESS enrollment issues. Additionally, the payroll staff of agencies will be granted access to their employees' pay stubs as a backup and in the case of emergencies. However, with the passage of this legislation, it becomes the responsibility of the employee to access the internet for their paystubs. Employees without computer access during working hours may access their pay data on their home computers or at any computer which has access to the Internet, including public libraries throughout the state.

Requests for exemption from this policy will be reviewed by Centralized Payroll before submission to the Treasurer's Office for final approval/denial. Limited access to a computer or a reluctance to use ESS will not be considered sufficient reasons to grant an exemption to this policy and permit the issuance of a printed pay stub.

Going forward it will be the responsibility of each agency to advise all newly hired employees of the requirement to enroll in ESS and to initiate direct deposit.



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Director